

August 25, 2006

Mr. Les Boles, Director
B&C Bd-Office of State Budget
1201 Main Street, Suite 870
Columbia, South Carolina 29201

Dear Les:

This is to advise that the Office of the State Treasurer will not be requesting any additional state funds for FY 2007-2008. Provided no budget reductions are incurred during the budgetary process, it is our goal to continue to improve the efficiency of operations with current funding. Also, we have no proviso changes and are requesting no additional FTEs for the FY 2007-2008.

We have attached the addendum for FY 2007-2008 Cost Savings and Activity Priority Assessment. As noted in our Accountability Report, our office consistently strives to identify and implement cost saving measures. Many of which result in statewide savings for other agencies such as the renegotiation of credit card transaction fees and other banking services fees. All State Treasurer's Office activities are mandated by State Statute; therefore, it is not within our discretion to eliminate or prioritize activities.

Please let me know if you have any questions or need additional information.

Sincerely,

Grady L. Patterson, Jr.
State Treasurer

GLPJr:

klw

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

I. 2% COST SAVINGS ASSESSMENT

A. Agency Section/Code/Name: Section 60 / E16 / State Treasurer's Office

B. Agency Activity Number and Name: 130: Accounting & Banking; 131: Investments; 132: Debt Management;

133: Unclaimed Property Program; 134: SC Tuition Prepayment Program/SC College Investment Program

C. Explanation of Cost Savings Initiative: Through employee turnover in one of the support service areas which supports all major programs of the agency, the Treasurer's Office will be able to realize a cost savings. This will allow the State Treasurer's Office to reallocate current resources so that a request for new funding is not needed. Also, the State Treasurer's Office as noted in our Accountability Report consistently reviews and assesses processes to find more efficient ways of carrying out our mission. Through increased use of technology via the internet or other electronic means, the State Treasurer's Office has been able to implement state of the art solutions to specific banking processes.

D. Estimate of Savings:

FY 2007-08 Cost Savings Estimates:	General	Federal	Other	Total
Personnel:				
(a) Number of FTEs				0.00
(b) Personal Service	35,000			\$ 35,000
(c) Employer Contributions	9,450			\$ 9,450

Program/Case Services				\$ 0
Pass-Through Funds				\$ 0
Other Operating Expenses	10,140			\$ 10,140
Total	\$ 54,590	\$ 0	\$ 0	\$ 54,590

E. Activity Impact (*Describe the impact on the activity affected including the impact on customers and clients.*):

Even though employee turnover will result in a cost savings, the loss of institutional knowledge and experience will impact the agency in the short term. Improved technological advances not only impact the State Treasurer's Office in a positive way by resulting in costs savings and more efficient, reliable and accurate systems, but also have a positive impact on State Treasurer's customers by providing them with quicker, easier access to forms and information.

F.

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Initiative Title: Workforce Planning	44,450	0	0	\$ 0	0	0	0	0.00
Activity Number & Name: All activities listed in B. above								
Initiative Title: Improved Technological Advances	10,140	0	0	\$ 0	0	0	0	0.00
Activity Number & Name: All activities listed in B. above.								
Initiative Title:	0	0	0	\$ 0	0	0	0	0.00

Summary of Cost Savings Initiatives for FY 2007-08:	FUNDING				FTEs			
	General	Federal	Other	Total	State	Fed.	Other	Total
Activity Number & Name:								
TOTAL OF ALL INITIATIVES	\$ 54,590	\$ 0	\$ 0	\$ 0	0.00	0.00	0.00	0.00

FY 2007-08 COST SAVINGS & ACTIVITY PRIORITY ADDENDUM

II. PRIORITY ASSESSMENT OF AGENCY ACTIVITIES

- A. Agency Section/Code/Name: Section 60 / E16 / State Treasurer's Office
- B. Agency Activity Number and Name: All activities of the State Treasurer's Office are mandated by State Statute; therefore, the State Treasurer's Office is unable to eliminate or prioritize activities.
- C. Explanation of Lowest Priority Status:
- D. Estimate of Savings:

Estimate of Savings:	General	Federal	Supplemental	Capital Reserve	Other	Total
Personnel:						
(a) Number of FTEs	0	0	0	0	0	0.00
(b) Personal Service	0		0	0	0	\$ 0
(c) Employer Contributions	0		0	0	0	\$ 0
Program/Case Services	0	0	0	0	0	\$ 0
Pass-Through Funds	0	0	0	0	0	\$ 0
Other Operating Expenses	0	0	0	0	0	\$ 0
Total	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0

E. Activity Impact (Describe the impact on the activity affected including the impact on customers and clients.):

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[illegible]